AMENDED IN SENATE JUNE 27, 1996 AMENDED IN ASSEMBLY MAY 10, 1995

CALIFORNIA LEGISLATURE—1995-96 REGULAR SESSION

ASSEMBLY BILL

No. 444

Introduced by Assembly Member Archie-Hudson (Principal coauthor: Assembly Member Baldwin) (Principal coauthor: Assembly Member Baldwin)

February 16, 1995

An act to add Part 46.5 (commencing with Section 75000) to the Education Code, relating to postsecondary education. An act relating to postsecondary education, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 444, as amended, Archie-Hudson. Community colleges: charter colleges Postsecondary education: community colleges.

Existing law provides for the California Community Colleges and specifies the duties and responsibilities of the Board of Governors and the Chancellor of the California Community Colleges.

This bill would require the Chancellor's Office of the California Community Colleges, by January 1, 1997, after reviewing the findings of the Bureau of State Audits regarding the contract between San Joaquin Delta College and the Richard A. McGee Academy, to adopt and promulgate regulation changes and other necessary measures

AB 444 — 2 —

guaranteeing that the practice of claiming full-time equivalent student (FTES) funding for activities already funded through other means shall not continue.

This bill would declare that is to take effect immediately as an urgency statute.

(1) Under existing law, every community college district is under the control of the governing board of the community college district.

This bill would establish a procedure for the establishment of charter colleges, which would receive certain public funding, but would not be subject to laws generally governing community college districts.

The bill would designate an unspecified college as the demonstration college. The bill would require the Board of Governors of the California Community Colleges to approve or reject any charter petition submitted by that college. The bill would require the board of governors to approve up to 25 petitions from community college districts for charters pursuant to this bill if the board of governors determines within a specified timeframe that the demonstration college has fully satisfied the terms of its charter. The bill would also authorize the board of governors to renew the charter of the demonstration college.

The bill would authorize the governing board of each community college district to approve a petition for the operation of a charter college if the petition has been signed by not less than 50% of the faculty currently employed at the college and if it meets designated criteria. The bill would require the governing board to hold a public hearing on the provisions of the charter. The bill would authorize the Board of Governors of the California Community Colleges to grant a revocable charter upon approval of the petition by the governing board.

The bill would require charter colleges to be nonsectarian in their programs, admission policies, employment practices, and all other operations. The bill would prohibit charter colleges from discriminating against any student or employee on the basis of ethnicity, national origin, gender, or disability.

The bill would specify, for certain purposes of the California Constitution, that a charter college is under the exclusive

3 AB 444

control of the officers of the public schools and that it constitutes a "community college district" for purposes of the state school funding guarantee for school districts and community college districts.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes. State-mandated local program: $\frac{2}{3}$.

The people of the State of California do enact as follows:

1 SECTION 1. Part 46.5 (commencing with Section

- 2 SECTION 1. After reviewing the findings of the
- 3 Bureau of State Audits regarding the contract between
- 4 San Joaquin Delta College and the Richard A. McGee
- 5 Academy and other contracts, the Chancellor's Office of
- 6 the California Community Colleges, by January 1, 1997,
- 7 shall adopt and promulgate regulation changes and other
- 8 necessary measures guaranteeing that the practice of
- 9 claiming full-time equivalent student (FTES) funding for 0 activities already funded through other means shall not
- 10 activities already funded through other means shall not 11 continue.
- 12 SEC. 2. This act is an urgency statute necessary for the 13 immediate preservation of the public peace, health, or
- 14 safety within the meaning of Article IV of the
- 15 Constitution and shall go into immediate effect. The facts
- 16 constituting the necessity are:
- 17 In order to enable the Chancellor's Office of the
- 18 California Community Colleges to adopt measures, by

AB 444 —4— January 1, 1997, as required by this act, it is necessary that this act take effect immediately. 75000) is added to the Education Code, to read: 3 4 5 PART 46.5. CHARTER COLLEGES 6 7 CHAPTER 1. GENERAL PROVISIONS 8 9 75000. This part shall be known, and may be cited, as the "Charter College Act of 1995." 10 75010. It is the intent of the Legislature, in enacting 11 this part, to do all of the following: 12 13 (a) Improve student learning and achievement. 14 (b) Provide community colleges with a mechanism for transforming from rule-based to performance-based 15 accountability. 16 17 (c) Encourage innovative efforts at the local level to 18 enhance instruction and improve efficiency. 19 20 CHAPTER 2. CHARTER CONDITIONS 21 22 75100. Each charter granted pursuant to this part 23 shall set forth the specific significant improvements in measurable student outcomes that the charter college will achieve during the term of the charter. "Student outcomes" includes, but is not limited to, rates of college participation, persistence, graduation, transfer, and

employment, and skills and competencies developed by students who complete educational programs at the college. Each charter shall include a detailed description of the methodology and measures for evaluating achievement of the specific student outcomes.

75110. (a) The admission policies of a charter college shall be consistent with Section 76000.

32

33

34

35

37

38

(b) A charter college shall charge the student fees 36 required by Article 1 (commencing with Section 76300) of Chapter 2 of Part 47.

75120. In addition to any other requirement imposed under this part, a charter college shall be nonsectarian in its programs, admission policies, employment practices, __ 5 __ AB 444

and all other operations, and shall not discriminate against any student or employee on the basis of ethnicity, national origin, gender, or disability.

75130. No governing board of a community college district shall require any employee of the district to be employed at a charter college.

CHAPTER 3. CHARTER COLLEGE OPERATION AND FUNDING

75200. A charter college shall comply with all of the provisions set forth in its charter, but is otherwise exempt from the laws governing community college districts except as specified in this part.

75210. The Chancellor of the California Community Colleges shall apportion to each charter college for each fiscal year the amount for each full-time equivalent student that would have been apportioned for that student to the district that approved the charter.

75220. If a charter college chooses to participate in the State Teachers' Retirement System or the Public Employees' Retirement System, or both, each employee of the charter college who qualifies for membership in either system, or both systems, shall be covered under one of the systems, and all provisions of Part 13 (commencing with Section 22000), or Part 3 (commencing with Section 20000) of Division 5 of Title 2 of the Government Code, as applicable, shall apply in the same manner as if the charter college were a college in the district that approved the charter.

75230. (a) A charter college shall be deemed to be under the exclusive control of the officers of the public schools for purposes of Section 8 of Article IX of the California Constitution, with regard to the appropriation of public moneys to be apportioned to any charter college, including, but not limited to, appropriations made for the purposes of Section 75210.

(b) A charter college shall be deemed to be a "community college district" for purposes of Sections 8 and 8.5 of Article XVI of the California Constitution.

AB 444 — 6 —

1 CHAPTER 4. ESTABLISHMENT OF CHARTER COLLEGES 2 3 Article 1. Implementation Plan and Demonstration 4 College 5 6 75300. Eligibility for designation as a charter college 7 shall be available to individual community colleges 8 according to the following schedule: 9 (a) On or before November 1, 1996, the Board of Governors of the California Community Colleges shall 10 approve or reject any charter petition submitted by the 11 demonstration college designated in Section 75310. 12 13 (b) (1) Within 120 days prior to the expiration of the 14 initial charter for the demonstration college, the board of governors shall determine whether the college has fully 15 satisfied the terms of the charter, including achievement of the student outcomes described in the charter. 17 18 (2) If the board of governors determines that the demonstration college has fully satisfied the terms of the 19 charter, it shall accept petitions from any community college district for a charter pursuant to this part, and may 22 approve up to 25 petitions. In addition to the 25 new charter petitions authorized by this paragraph, the board of governors may renew the charter of the demonstration 25 college. 26 (e) (1) Not later than December 31, 2006, the board 27 governors shall determine whether the charter colleges authorized pursuant to paragraph (2) of 28 subdivision (b) have fully satisfied the terms of their respective charters, including achievement of the 30 31 student outcomes described in the charters. 32 (2) If the board of governors determines that no more than 20 percent of the charter colleges have not fully 33 34 satisfied the terms of their respective charters, it may 35 approve additional charter petitions without restriction 36 as to total number. 37 75310. Upon approval by the board of governors of a charter petition submitted pursuant to Article 2 38

(commencing with Section 75350), ____ College shall

__7__ AB 444

be designated as the demonstration college for purposes of this part.

Article 2. Petition and Approval Procedure

- 75350. (a) A petition for the designation of an existing California community college as a charter college may be circulated by any one or more persons seeking to establish the charter college. After the petition has been signed by not less than 50 percent of the faculty currently employed at the college, it may be submitted to the governing board of the district that operates the college.
- (b) A petition submitted to the district governing board shall set forth all of the following:
- (1) The specific student outcomes to be achieved by the college and the methodology and measures for evaluation of outcomes, as described in Section 75100.
 - (2) Descriptions of all of the following:
 - (A) The educational program of the college.
- (B) The governance structure of the college, including, but not limited to, the process to be followed by the college to ensure student involvement.
- (C) The qualifications to be met by individuals to be employed by the college.
- (D) The procedures that the college will follow to ensure the health and safety of students and employees. These procedures shall include the requirement that each employee of the college furnish the college with a criminal record summary.
- (E) The means by which the college will achieve a racial and ethnic balance among its students that is reflective of the general population residing within the territorial jurisdiction of the district to which the charter petition is submitted.
 - (F) Admission requirements, if applicable.
- (G) The manner in which an annual audit of the financial and programmatic operations of the college is to be conducted.
- 39 (H) The manner by which employees of the college 40 will be covered by the State Teachers' Retirement

AB 444

3

4

5

6 7

8

9

10

12 13

14 15

16

17

18 19

21

22

23

26

27

28

29

30

31

32 33

34 35

36

37

38

System, the Public Employees Retirement System, or 2 federal social security.

- (I) The community college attendance alternatives for students who choose not to attend charter colleges.
- (J) The rights of any employee of the district upon leaving the employment of the district to work in the charter college, and of any rights of return to the district after employment at the charter college.
- (3) Information regarding the proposed operation and potential effects of the charter, including, but not limited to, the facilities to be utilized by the college, the manner in which administrative services of the college are to be provided, and potential civil liability effects upon the college and the district.
- 75360. (a) No later than 45 days after receiving a petition, the district governing board shall hold a public hearing on the provisions of the charter, at which time the board shall consider the level of student, employee, and public support for the petition. Following review of the petition and the public hearing, the governing board shall either approve or disapprove the charter within 90 days of receiving the petition.
- (b) The governing board may approve the petition for 24 the operation of a charter college under this part if it determines that the petition meets the requirements of Section 75350.
 - 75370. Upon approval of the petition by the district governing board, the petitioner or petitioners shall submit the petition to the board of governors for final approval. The board of governors shall either grant or deny the charter within 90 days of receipt of the petition.

Article 3. Term and Revocation of Charter

75380. A charter may be granted by the board of governors for a period not to exceed five fiscal years, and may be granted one or more subsequent renewals, each for a period not to exceed five years. A material revision of the charter may be made only with the prior approval of the district governing board and the board of __9__ AB 444

governors. However, no revision of the student outcomes and measurement methodologies described in the charter shall be approved for the initial charters granted pursuant to subdivision (a) or (b) or Section 75300.

- 75390. A charter may be revoked by the board of governors or the district governing board if the board of governors or the district governing board finds that the charter college did any of the following:
- (a) Committed a material violation of any of the conditions, standards, or procedures set forth in the charter petition.
- (b) Failed to meet one or more of the student outcomes set forth in the petition pursuant to Section 75100.
- (c) Failed to meet generally accepted accounting standards of fiscal management.
 - (d) Violated any provision of law.

- SEC. 2. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund.
- Notwithstanding Section 17580 of the Government Code, unless otherwise specified, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.